

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

SECRETARY AT
2004 DEC - 7 2:47

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

Pre-MUR: 417
DATE RECEIVED: October 1, 2003
DATE ACTIVATED: March 10, 2004

EXPIRATION OF STATUTE OF
LIMITATIONS: October 15, 2003¹

COMPLAINANTS:

AMEC Construction Management, Inc. and
AMEC plc (*sua sponte* submission)

RESPONDENTS:

AMEC Construction Management, Inc.

John Babieracki
Mitchell Becker
Lawrence Capelli
John Cavanagh
Norman Fornella
Joseph Mandile

RELEVANT STATUTES:

2 U.S.C. § 431(11)
2 U.S.C. § 437g(a)(5)(B)
2 U.S.C. § 437g(a)(6)(C)
2 U.S.C. § 437g(d)
2 U.S.C. § 441b(a)
2 U.S.C. § 441c
2 U.S.C. § 441e
2 U.S.C. § 441f
11 C.F.R. § 103.3(b)
11 C.F.R. § 110.4(b)(1)(iii)
11 C.F.R. § 115.1(b)
11 C.F.R. § 115.2(b)

INTERNAL REPORTS CHECKED:

Disclosure reports

¹ The statute of limitations ("SOL") date listed in CMS is October 1, 2003, which is approximately five years from the date of the first contribution listed in AMEC's *sua sponte* submission (October 15, 1998). See Attachment 1 at 3.

FEDERAL AGENCIES CHECKED: None

I. INTRODUCTION

Through its counsel, AMEC Construction Management, Inc. ("AMEC") and AMEC plc (AMEC's ultimate corporate parent) made a voluntary submission notifying the Commission that AMEC appeared to have violated the Federal Election Campaign Act of 1971, as amended (the "Act") by reimbursing approximately \$17,000 of its employees' contributions to federal election campaigns from 1998 to 2000.² See Attachment 1. The submission detailed contributions to federal candidates since October 1998, made by executives and reimbursed by AMEC using general treasury funds, and without detail, noted that the reimbursement had been ongoing since the late 1980's. Counsel for AMEC subsequently met with attorneys from this Office to discuss this submission, and at our request, later provided more details of AMEC's reimbursement scheme during 1998-2000. See Attachment 2. Again at our request, AMEC provided additional information at the end of April 2004. See Attachment 3.

AMEC admits that it violated Sections 441b and 441f and requests pre-probable cause conciliation to resolve this matter. Based on the information provided by AMEC, and other publicly available information, this Office recommends that the Commission find reason to believe ("RTB") that AMEC knowingly and willfully violated 2 U.S.C. §§ 441b, 441c, and 441f; find RTB that certain officers of AMEC knowingly and willfully violated 2 U.S.C. §§ 441b and 441f; and find RTB that certain employees of AMEC knowingly and willfully violated 2 U.S.C. § 441f. Although AMEC asserts that such violations were not knowing and willful, the absence

² All of the facts relevant to this matter occurred prior to November 6, 2002, the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub L 107-155, 116 Stat 81 (2002). Therefore, unless specifically noted to the contrary, all references to statutes and regulations in this report pertain to those that were in effect prior to the implementation of BCRA.

25044122881

1 of written records suggests that AMEC employed an elaborate scheme to disguise its corporate
2 political contributions; moreover, AMEC has not been fully forthcoming with relevant
3 information. Nonetheless, in consideration of AMEC's voluntary disclosure to the Commission,
4 we recommend resolving the matter in pre-probable cause conciliation based on the facts
5 Respondents disclosed, rather than further investigating the activity.

6 **II. FACTUAL BACKGROUND**

7 AMEC, formerly known as Morse Diesel International, Inc. ("Morse Diesel"), provides
8 construction management services for large construction projects within the United States.
9 AMEC's ultimate parent company (AMEC plc) initially acquired an interest in Morse Diesel in
10 1990.³ Attachment 2 at 7. AMEC plc acquired the remaining interest in Morse Diesel in 1995,
11 and operated the company under that name until it changed it to AMEC in 2001. *Id.* Although
12 AMEC plc recently announced that AMEC would exit the American market, press reports
13 indicate that AMEC (or its successor entity) will perform its existing contractual obligations over
14 the next several years.⁴ In light of this corporate transaction, this Office will confirm the identity
15 of the entity that now has assumed AMEC's legal obligations.

16 In January 2003, AMEC asserts, its ultimate parent company (AMEC plc) discovered the
17 existence of a program by which AMEC reimbursed certain employees for making contributions

³ AMEC was incorporated in Delaware, with its headquarters located in New York. Dun & Bradstreet Business Information Report, AMEC Construction Management, Inc. (Mar 23, 2004) at 1, 4. AMEC plc, an engineering and construction conglomerate, is based in the United Kingdom. AMEC plc owns a subsidiary named AMEC Inc., which is a Toronto-based holding company. AMEC Inc., in turn, owns (or owned) AMEC.

⁴ AMEC plc "announced the disposal of the Washington and Florida offices and the closure of the remaining [United States] business." Media Release, AMEC plc Interim Results 2004 (Sept. 2, 2004) at 8-9. AMEC offices "will be closed or sold and existing contractual commitments completed in a process expected to conclude over the next two to three years." *AMEC to Leave U S Market*, Midwest Construction, July 1, 2004, at 9.

25044122883
1 to federal election campaigns.⁵ Attachment 2 at 1. AMEC's ensuing internal investigation
2 revealed the following. Beginning as early as the late 1980's, the company allegedly made such
3 reimbursements through its expense account system. *Id.* at 3. Later, assertedly after receiving
4 advice from a tax advisor at the firm KPMG, AMEC made these reimbursements by paying
5 special bonuses through its payroll system. *Id.* According to AMEC, its then-CEO (John
6 Cavanagh) and/or its then-CFO (Norman Fornella) determined which contributions to make and
7 which employees would make them. *Id.* at 3-4. Mr. Fornella then allegedly instructed the
8 selected employee to make a particular political contribution and instructed an accounting
9 department supervisor (Joseph Mandile) to pay a "grossed up" bonus to that employee. *Id.* at 4.
10 As a result, the employee's net bonus, after taxes, equaled the amount of the contribution at
11 issue.⁶ *Id.*

12 AMEC claims that, because the company did not keep any written records linking a
13 specific bonus to a particular contribution, it used several methods in its internal investigation to
14 determine which employee contributions may have been reimbursed with corporate funds.
15 Attachment 2 at 6. First, AMEC explains that its payroll records allegedly indicate when
16 bonuses were paid, but "do not always match precisely to the dates or amounts of contributions
17 made by specific employees." *Id.* at 4. Accordingly, AMEC asserts that it reviewed payroll

⁵ At the request of AMEC plc, AMEC's counsel met with AMEC personnel concerning activities related to the World Trade Center reclamation project. Attachment 3 at 3. At one meeting, AMEC's then-CEO allegedly volunteered to AMEC's counsel that, in the past, AMEC had reimbursed employees' federal campaign contributions. *Id.* AMEC's counsel states that he alerted the Chair of the AMEC plc Board's ethics committee of this information, and that the Board subsequently directed the investigation that led to AMEC's *sua sponte* submission. *Id.*

⁶ AMEC states that "on rare occasions, a spouse of an employee made contributions for which the employee received reimbursement" from AMEC. Attachment 2 at 4 n.5. Also, AMEC asserts that, on one occasion, the company paid a special bonus to reimburse an executive (John Babieracki) after that employee had used personal funds to reimburse subordinates for political contributions. *Id.* at 4.

records, examined political contribution records available on public websites, and interviewed
“[e]very current or former employee potentially involved” in the reimbursement scheme.⁷ *Id.* at
6. After conducting an internal investigation, AMEC states that it took remedial action,
including firing or demoting those current employees whom it found to have been involved in
those practices. *Id.* at 2-3, 8. AMEC also claims that it promulgated a company policy
concerning political contributions and “[i]mplemented training to ensure that no future
reimbursement activity occurs.” *Id.* at 8.

AMEC’s submission also addresses the scope of the contribution reimbursement scheme.
AMEC claims that the payroll bonus system for reimbursing political contributions existed from
the late 1980’s to early 2000.⁸ Attachment 2 at 3, 5. Nevertheless, the chart of contributions that
AMEC’s counsel attached to its October 1, 2003 submission letter identifies approximately
\$17,000 in contributions only for the period beginning in October 1998. Attachment 1 at 3.

Our review of public records reveals that AMEC employees made a total of \$67,080 in
contributions to political committees during the period 1987 to 2000. The following chart
presents AMEC employee contributions by election cycle:

⁷ AMEC’s submission was based in part on interviews with 16 individuals (some of whom are identified throughout AMEC’s narration of events), but AMEC did not provide complete summaries of interviews or underlying documentation, nor did it fully explain what it did (and did not do) to flesh out its investigation. Attachment 3 at 5. AMEC has not authorized its counsel “to waive the privileges that cover the[se] interviews” Attachment 3 at 2

⁸ AMEC notes one instance after 2000 in which an employee was offered—but rejected—a corporate reimbursement for a federal campaign contribution. Attachment 2 at 5 n.6; Attachment 3 at 2. The employee recalls that Mitchell Becker (CEO from 2000-03) made this offer to him, but apparently no written records of it exist. Attachment 3 at 2.

25044122884

Election Cycle	Contributions from AMEC Employees
1987-1988	\$8,000
1989-1990	\$1,000
1991-1992	\$6,400
1993-1994	\$4,925
1995-1996	\$11,950
1997-1998	\$11,320
1999-2000	\$23,485
Total:	\$67,080

These records reveal a significant increase in AMEC employee contributions for the 1995-96 and 1997-98 election cycles, compared to previous presidential and non-presidential cycles. The 1999-2000 election cycle saw another significant increase, with total employee contributions almost doubling that of the previous presidential cycle.

Following the 2000 election cycle—and apparently corroborating AMEC's claim that its reimbursement scheme ended in 2000—contributions from AMEC employees declined. Such contributions dropped to \$9,453 for the 2002 election cycle and contributions for the period from 2003 to March 31, 2004 fell to \$2,417.⁹

III. ANALYSIS

A. Apparent Corporate Contributions, Federal Contractor Contributions, and Contributions in the Name of Another

Corporations are prohibited from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office.

2 U.S.C. § 441b(a). The Act also prohibits corporations (included among other "persons") from making "a contribution in the name of another person...." 2 U.S.C. § 441f; *see* 2 U.S.C.

⁹ Further corroborating AMEC's claim, there do not appear to be any conspicuous contribution patterns of AMEC employees that would suggest that the reimbursement scheme continued after 2000. The majority of AMEC employee contributions reported after 2000 were made to an umbrella organization for six affiliated local unions.

1 § 431(11) ("person" includes "corporation"). AMEC acknowledges that it used corporate funds
2 to reimburse various employees for contributions that they made to federal election campaigns.
3 It therefore admits to violations of 2 U.S.C. §§ 441b and 441f. Attachment 2 at 8.

4 The Act also makes it unlawful for a federal contractor "directly or indirectly to make
5 any contribution ... to any political party, committee, or candidate for public office...." 2 U.S.C.
6 § 441c(a)(1). This prohibition extends from the commencement of the contract negotiations until
7 the completion of the contract performance (or the termination of negotiations). 11 C.F.R.
8 §§ 115.2(b) and 115.1(b). It appears that AMEC qualified as a federal contractor during the time
9 that it reimbursed employees for contributions made to federal candidates (from the mid-1990s
10 to 2000). According to information released by AMEC's ultimate parent company, AMEC
11 (operating then as Morse Diesel) entered into contracts with the United States General Services
12 Administration "in the mid 1990s." See [http://investors.amec.com/amec/rns/](http://investors.amec.com/amec/rns/?id=1039071860nRNSE6907E)
13 [?id=1039071860nRNSE6907E](http://investors.amec.com/amec/rns/?id=1039071860nRNSE6907E) (visited Sept. 8, 2004). Therefore, this Office includes Section
14 441c in its recommendations.

15 The Act also prohibits any officer or director of any corporation from consenting to any
16 contribution or expenditure by that corporation. 2 U.S.C. § 441b(a). In addition, the Act
17 provides that "[n]o person shall make a contribution in the name of another person or knowingly
18 permit his name to be used to effect such a contribution...." 2 U.S.C. § 441f. Commission
19 regulations also prohibit persons from knowingly assisting in making contributions in the name
20 of another. 11 C.F.R. § 110.4(b)(1)(iii).

21 Based on AMEC's internal investigation, it appears that the following officers were
22 involved in AMEC's corporate reimbursement scheme: (1) John Cavanagh (CEO in the 1990s);
23 (2) Norman Fornella (CFO); (3) John Babieracki (Senior Vice President); and (4) Mitchell

25044122886

1 Becker (CEO from 2000-03). All of these officers have admitted receiving at least one
2 reimbursement from AMEC for contributions to federal campaigns, thus knowingly permitting
3 ~~their names to be used to effect a contribution in the name of another.~~ Attachment 2 at 6.

4 Moreover, all of these officers apparently consented to AMEC's corporate contributions.
5 Mr. Cavanagh or Mr. Fornella allegedly determined which contributions to make, and which
6 employees would make (and be reimbursed) for them. *Id.* at 3-4. AMEC asserts that
7 Mr. Babieracki reimbursed certain subordinates and received reimbursements from AMEC. *Id.*
8 at 4. Although Mr. Becker claims that he ended AMEC's reimbursement scheme in 2000, he
9 allegedly offered to reimburse an employee's federal election contribution in 2002. *Id.* at 5 &
10 n.6.

11 Based on AMEC's internal investigation, it also appears that two non-officer supervisory
12 employees were involved in AMEC's corporate reimbursement scheme: (1) Joseph Mandile
13 (held various mid and upper level positions in the accounting department); and (2) Lawrence
14 Capelli (held various mid and upper level positions).¹⁰ Attachment 2 at 2-3. In response to the
15 instructions of AMEC's CFO, Mr. Mandile allegedly used a computer program to determine the
16 "grossed up" amount of the bonus to be paid to a particular employee. *Id.* at 4. Mr. Mandile was
17 allegedly initially unaware of the purpose of the bonuses, but later learned that they constituted
18 reimbursements for political contributions. *Id.* at 4 n.4. Mr. Capelli (and his wife) made six

¹⁰ According to AMEC, these two employees did not have officer titles.

25044122887

1 federal contributions (totaling \$4,000) during the 1998-99 time period for which he allegedly
2 received reimbursement from AMEC. Attachment 1 at 3. By these actions, it appears that Mr.
3 Mandile knowingly assisted in making contributions in the name of another and that Mr. Capelli
4 knowingly permitted his name to be used to effect a contribution in the name of another.

5 **B. Knowing and Willful Recommendations**

6 The actions of AMEC appear to constitute knowing and willful conduct under the Act.
7 *See* 2 U.S.C. § 437g(a)(5)(B); *United States v. Hopkins*, 916 F.2d 207, 214 (5th Cir. 1990) (under
8 18 U.S.C. § 1001, “knowing and willful” false representation proven where defendant acted
9 “deliberately and with knowledge that the representation was false”); *United States v. Whab*, 355
10 F.3d 155, 162 (2d Cir. 2004) (no “plain error” in district court’s jury instruction that the term
11 “willfully” requires only a criminal defendant’s “aware[ness] of the generally unlawful nature of
12 his conduct”).¹¹ One may draw an inference of a knowing and willful act “from the defendants’
13 elaborate scheme for disguising” their actions. *Hopkins*, 916 F.2d at 214-15. The *Hopkins* case
14 involved a program of corporate reimbursements for employees’ political contributions. The
15 defendants (who were officers or directors of savings and loan institutions) “signed forms which
16 indicated that employees were receiving pay raises because their status had changed when in fact
17 the employees received pay raises only so that they could contribute” to a political committee.
18 *Id.* at 213.

¹¹ By comparison, the District of Columbia Circuit has interpreted the “knowing and willful” standard to require a finding of “defiance or knowing, conscious, and deliberate flaunting [sic] of the Act.” *National Right to Work Comm v FEC*, 716 F.2d 1401, 1403 (D.C. Cir. 1983) (internal citation omitted) (no “defiance” or “knowing, conscious, and deliberate flaunting” of the Act that would support “knowing and willful” violation of contribution solicitation requirements in light of “ambiguities” of statute and lack of Commission guidance).

25044122889

1 In the present matter, AMEC admits that it does not have any written records of its
2 special bonuses to reimburse employees' political contributions (except for computerized payroll
3 records that simply reflected that a bonus was paid). *See* Attachment 2 at 4. Moreover, AMEC
4 has not revealed whether, during the operation of its expense-based reimbursement scheme, its
5 employees openly claimed that the purposes of their expense submissions were for political
6 contributions. AMEC's decision to move the reimbursement scheme from its expense account
7 system to its payroll system makes these reimbursements more difficult to track.¹² The absence
8 of written records concerning its corporate reimbursements suggests not only that AMEC was
9 aware of the "generally unlawful nature" of its conduct, but that it created an "elaborate scheme
10 for disguising" its corporate political contributions. *Whab*, 355 F.3d at 162; *Hopkins*, 916 F.2d at
11 214-15. AMEC has not explained why it did not simply make corporate contributions directly to
12 various political committees, which may suggest its knowledge of the unlawful nature of its
13 conduct. AMEC's conclusory assertion that its conduct was not "knowing and willful," does
14 nothing to refute the inference of "knowing and willful" activity based on AMEC's hidden
15 reimbursement scheme. *See Hopkins*, 916 F.2d at 214-15.

16 The *sua sponte* nature of AMEC's submission does not wholly mitigate against a
17 knowing and willful RTB finding in this case. Although the Commission, in some previous
18 matters, has rewarded those entities who self-report Section 441f violations by finding RTB
19 without a "knowing and willful" element, we do not believe that AMEC's level of cooperation

¹² AMEC claims (without submitting any documentation) that the accounting firm KPMG provided advice to AMEC on how to reimburse employees' political contributions.

warrants such mitigation at this point.

Similarly, in MUR 5357, the

Commission did not make knowing and willful RTB findings where Centex cooperated fully with this Office, providing records from its internal investigation, including interview notes and emails.

In contrast, AMEC has specifically declined to provide us with all pertinent information, despite two separate requests.¹³ In particular, AMEC has not provided information regarding: (1) who was (and was not) interviewed in its internal investigation and summaries of those interviews; (2) the results of its search for employees who refused to participate in the reimbursement scheme (since AMEC admits that at least one employee so refused); (3) further detail from the payroll employee regarding how the reimbursement scheme was run; and (4) details of the reimbursement scheme prior to October 1998, since AMEC admits that its internal investigation included an examination of specific reimbursement activity at least from January 1996 to 2000.¹⁴ See Attachment 3 at 2. Therefore, this Office recommends that the

¹³ Two attorneys from this Office met with counsel for AMEC on October 10, 2003, and made the referenced requests verbally. Later, we wrote to counsel for AMEC on March 30, 2004, to repeat these requests.

¹⁴ Although the activity prior to 1998 is outside the statute of limitations, information from the 1996 election cycle is relevant to our inquiry because of the significant increase in AMEC employee contributions during that (continued)

25044122890

Commission find reason to believe that AMEC knowingly and willfully violated 2 U.S.C. §§ 441b(a), 441c, and 441f.

In addition, each of the officers described above apparently directed or actively participated in this disguised corporate reimbursement scheme. Therefore, this Office recommends that the Commission find reason to believe that John Babieracki, Mitchell Becker, John Cavanagh, and Norman Fornella knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f. Finally, the non-officer AMEC employees either computed the special bonuses with knowledge of their purposes or accepted repeated reimbursements for himself or his wife. Therefore, this Office recommends that the Commission find reason to believe that Joseph Mandile and Lawrence Capelli knowingly and willfully violated 2 U.S.C. § 441f.

C. Liability of AMEC's Parent Corporations

Subject to clarification of the current corporate and legal status of AMEC, we understand that AMEC is (or was, as of April 2004) a wholly-owned subsidiary of AMEC Inc. which, in turn, is wholly owned by AMEC plc. A parent corporation may be held responsible for the activities of its subsidiary only under certain circumstances, which do not appear to exist in this matter. Therefore, as analyzed below, we do not recommend any action against AMEC's parents at this time.

There are "a variety of situations in which it is appropriate to hold a parent corporation liable for the sins of its subsidiary." *Esmark, Inc. v. NLRB*, 887 F.2d 739, 753-58 (7th Cir. 1989) (citing *NLRB v. Deena Artware, Inc.*, 361 U.S. 398, 403 (1960)) (analyzing various doctrines supporting corporate parent's liability under federal labor law). Liability might be based on a

period, in comparison to earlier election cycles. Information related to the increased level of AMEC employee contributions could be relevant to a knowing and willful finding by shedding light on the mental state of AMEC.

25044122891

theory of “piercing the corporate veil” or on general agency principles.¹⁵ In the context of federal enforcement actions, the corporate parent’s liability must be based on its involvement in the subsidiary’s activities, and not merely on the fact that the subsidiary corporation is wholly owned by, or maintains overlapping officers and directors with, its parent.¹⁶

AMEC’s ultimate parent (AMEC plc) asserts that, until 2003, it had no knowledge of AMEC’s reimbursement activities. See Attachment 2 at 7. AMEC plc also asserts that “[t]here is no evidence that AMEC plc exercised any direction or control over the decisions made by [AMEC’s] management to engage in the practice of reimbursing political contributions.” *Id.* By implication, AMEC argues that its ultimate parent corporation should not be held liable for the actions of its subsidiary.

At this time, we have no information that AMEC’s corporate parents (AMEC plc and AMEC Inc.) had knowledge of—much less involvement in—AMEC’s political contribution reimbursement scheme. AMEC apparently operated with relative autonomy in relation to its corporate parents during the alleged period of the reimbursement scheme. As AMEC characterizes the relationship, “AMEC plc left in place the existing management team at Morse Diesel [the former name of AMEC] when AMEC plc first acquired an interest in 1990, and that management team remained essentially in place throughout the 1990s.” *Id.* at 7. It appears

¹⁵ See, e.g., *Fletcher v Atex, Inc.*, 68 F.3d 1451, 1458-62 (2d Cir. 1995) (no liability in tort under either veil-piercing or agency theories)

¹⁶ Compare *Zale Corp v FTC*, 473 F.2d 1317, 1319-22 (5th Cir. 1973) (parent corporation responsible for subsidiary’s violation of Truth in Lending Act regulation, where parent created consumer credit transaction form that was source of most violations, where parent maintained overlapping officers and directors with subsidiaries, and where parent coordinated subsidiaries’ advertising campaign) with *Drukker Communications, Inc v NLRB*, 700 F.2d 727, 735-36 (D.C. Cir. 1983) (parent did not “involve itself in the labor relations of the subsidiary,” and thus was not liable for unfair labor practices of subsidiary, even where subsidiary was wholly-owned and shared the same officers and directors as the parent)

1 plausible that AMEC's parents had no involvement in AMEC's payroll operations, in the
2 approval of AMEC's bonuses, or in the direct control of AMEC in such a manner that might
3 result in the parents' liability for AMEC's violations of Sections 441b, 441c, and 441f.¹⁷
4 Therefore, this Office recommends that the Commission take no action at this time with respect
5 to AMEC plc and AMEC Inc.¹⁸

6 **D. Political Committees**

7 The Act makes it unlawful for any "candidate, political committee, or other person
8 knowingly to accept or receive any contribution" by a corporation. 2 U.S.C. § 441b(a). The Act
9 also provides that "no person shall knowingly accept a contribution made by one person in the
10 name of another person." 2 U.S.C. § 441f. The treasurer of a political committee is responsible
11 for examining all contributions received by the political committee for evidence of illegality.
12 11 C.F.R. § 103.3(b). The regulations provide further instructions to treasurers for refunding a
13 contribution that is eventually determined to be illegal. 11 C.F.R. § 103.3(b)(2).

14 AMEC claims that there is no indication that any federal committee that received a
15 reimbursed contribution from an AMEC employee was aware that AMEC was the ultimate
16 source of these purportedly individual contributions, and we currently have no information to
17 suggest otherwise. *See* Attachment 2 at 5. Accordingly, this Office makes no recommendation

¹⁷ The absence of relevant involvement by the parent corporation in the operation of the subsidiary in this case is similar to the circumstances in the Centex matter, where the Commission found reason to believe that a subsidiary corporation violated Sections 441b and 441f, but took no action with respect to the parent. *See* MUR 5357 (Centex)

¹⁸ As foreign companies, AMEC's corporate parents could potentially run afoul of Section 441e, which prohibits foreign nationals (including corporations) from making "directly or through any other person . . . any contribution . . . in connection with an election to any political office . . ." 2 U.S.C. § 441e(a). As noted above, currently we do not have any information that suggests that these parent corporations knew of AMEC's political contribution reimbursement scheme

25044122893

1 at this time with respect to the recipient committees.

2

3

4

5 **IV. PROPOSED RESOLUTION**

6

7

8

9

10

11

12

13

14

15

16

17

18

19

25044122894

25044122895

V. **RECOMMENDATIONS**

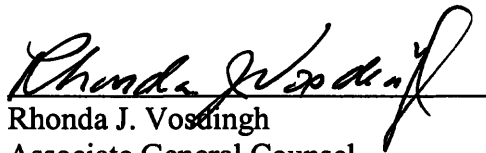
1. Open a Matter Under Review.
2. Find reason to believe that AMEC Construction Management, Inc. knowingly and willfully violated 2 U.S.C. §§ 441b(a), 441c, and 441f.
3. Take no action at this time with respect to AMEC plc and AMEC Inc.
4. Find reason to believe that John Cavanagh, Norman Fornella, John Babieracki and Mitchell Becker knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and that Joseph Mandile and Lawrence Capelli knowingly and willfully violated 2 U.S.C. § 441f.


5. Authorize this Office to enter into pre-probable cause conciliation with AMEC Construction Management, Inc., John Babieracki, Mitchell Becker, John Cavanagh, Norman Fornella, Lawrence Capelli and Joseph Mandile.
6. Approve the attached Factual and Legal Analyses.
7. Approve the appropriate letters.

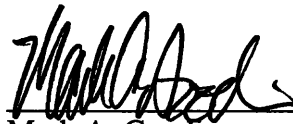
Lawrence H. Norton
General Counsel

12/9/2004
Date

BY:


Rhonda J. Vosdingh
Associate General Counsel


Jonathan A. Bernstein
Assistant General Counsel


Mark A. Goodin
Attorney

Attachments:

1. Letter from James D. Wareham, counsel for AMEC, to Lawrence H. Norton (dated Oct. 1, 2003)
2. Letter from James D. Wareham, counsel for AMEC, to Mark D. Shonkwiler (dated Jan. 28, 2004)
3. Letter from James D. Wareham, counsel for AMEC, to Mark D. Shonkwiler and Mark A. Goodin (Apr. 26, 2004)
4. Proposed Conciliation Agreements
5. Proposed Factual and Legal Analyses

25044122897